

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG

ELECTRIC LOGS

FILE

X

WATER SANDS

LOCATION INSPECT

SUB REPORT/abd.

DATE FILED

MAY 20, 1997

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. UTU-75521

INDIAN

DRILLING APPROVED: JUNE 30, 1997

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LA 10-12-2000

FIELD: UNDESIGNATED

UNIT: KNOCKDHU

COUNTY: SAN JUAN

WELL NO. KNOCKDHU UNIT 8

API NO. 43-037-31791

LOCATION 1912 FSL FT. FROM (N) (S) LINE, 1550 FWL

FT. FROM (E) (W) LINE. NE SW

1/4 - 1/4 SEC. 33

TWP.

RGE.

SEC.

OPERATOR

TWP.

RGE.

SEC.

OPERATOR

37S

25E

33

PETRAL EXPLORATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☐ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Petral Exploration, LLC

3. ADDRESS OF OPERATOR
c/o McIlrath & Associates, Inc. (307) 265-4351
2305 Oxford Lane, Casper, WY 82604

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
NE SW Sec. 33-T37S-R25E, 1912' FSL & 1550' FWL
At proposed prod. zone 583 472
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
18 miles SE from Blanding, Utah

10. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)
Lease 1095'
Unit 1550'

16. NO. OF ACRES IN LEASE
Lease 320 Acres
Unit 600 Acres

17. NO. OF ACRES ASSIGNED
TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
1300'

19. PROPOSED DEPTH
6000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5529' GR & 5540' KB

22. APPROX. DATE WORK WILL START*
June 15, 1997

CONFIDENTIAL

PROPOSED CASING AND CEMENTING PROGRAM

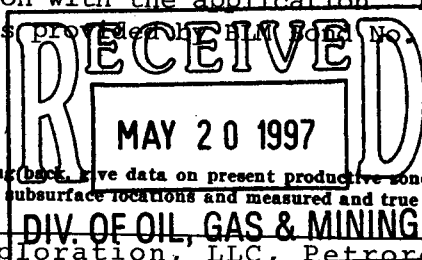
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1810'	To surface
7 7/8"	5 1/2"	15.5#	6000'	235 sks.

Request is made for all information to be held CONFIDENTIAL.

It is proposed to drill a well at the above location with the primary zone of interest the Upper Ismay Mound formation @ 5657' TVD. If the well proves productive, 5 1/2" casing will be cemented in place and the well completed. If the well is found non-productive, it will be plugged & abandoned and surface restored as per BLM specifications.

See attached "Drilling Program" summary and "Surface Use Program" for details. I hereby certify that Petral Exploration, LLC is responsible under the terms and conditions of the lease to conduct lease operations in conjunction with the application. Bond coverage pursuant to 43 CFR 3104 for lease activities is provided by BLM Bond No. Ut 1040

CONFIDENTIAL



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Anthony R. Man TITLE Petral Exploration, LLC, Petroleum Engineer DATE 5-19-97
(This space for Federal or State office use)

PERMIT NO. 43-037-31791

APPROVAL DATE

APPROVED BY Anthony R. Man

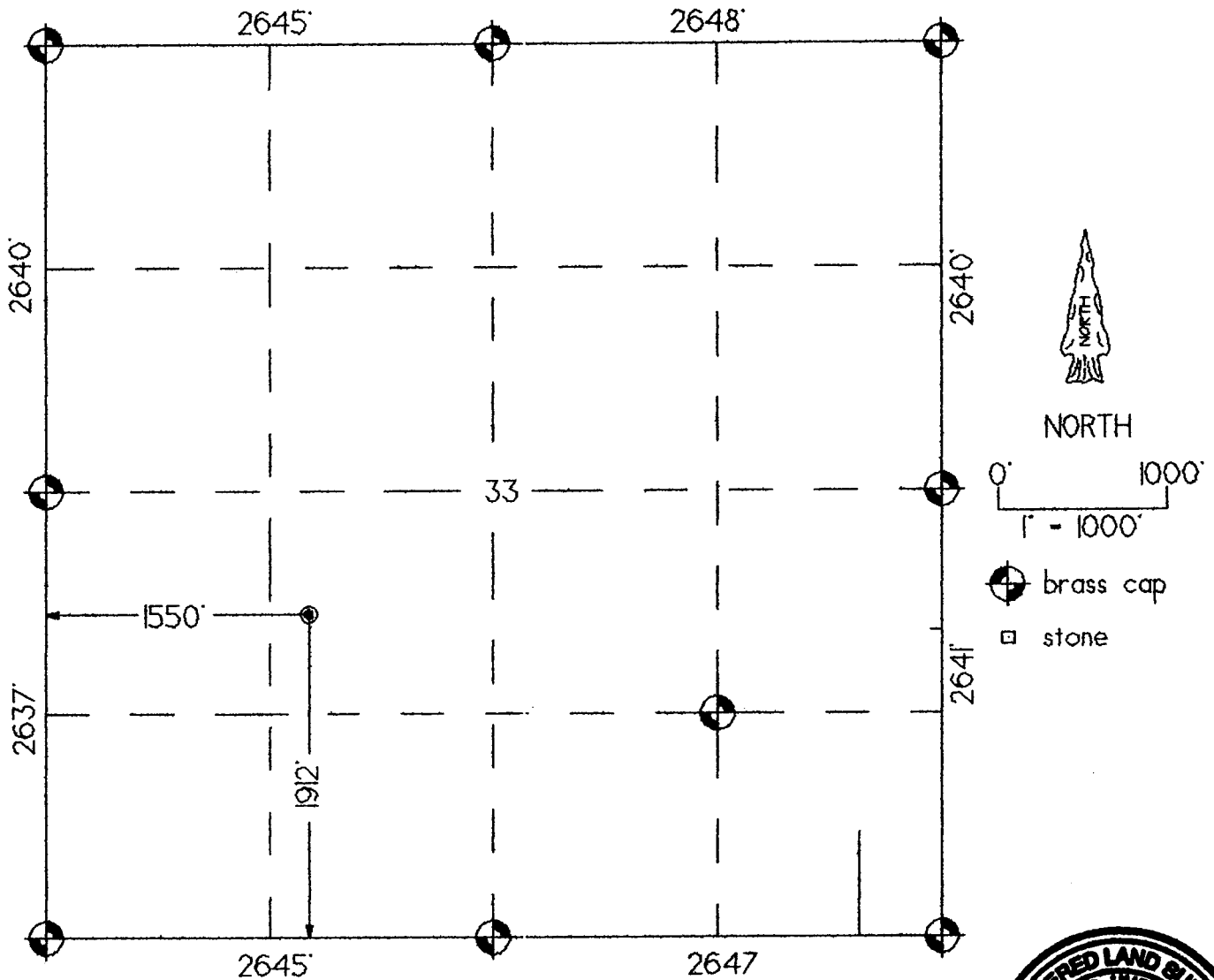
TITLE Petroleum Engineer

DATE 6/30/97

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Well Location Plat



Well Location Description

PETRAL EXPLORATION

8 Knockdhu Unit

1912'FSL & 1550'FWL

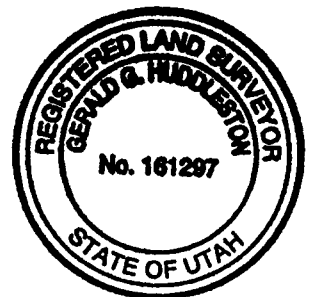
Section 33. T.37 S., R.25 E. SLM

San Juan County, UT

5529' grd. el. from seismic CP 3

320.833 N & 2.672.534 E from seismic - CP 48, CP 50 & CP 3

320.832 N & 2.672.535 E from GPS



7 May 1997

Gerald G. Huddleston

Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

DRILLING PROGRAM

Petral Exploration, LLC
#8 Knockdhu Unit
1912' FSL & 1550' FWL
NE SW Sec. 33-T37S-R25E
San Juan Co., UT
Unit - 75040X Lease # UTU - 75521

A. Surface Formation:

Morrison

B. Estimated Formation Tops: - (KB Measurements)

Formation	TVD Depth (KB)
Morrison	Spud
Entrada	811
Navajo	1005
Wingate	1496
Chinle	1707
Shinarump	2507
Cutler	2703
Honaker Trail	4591
La Sal	5336
Black Shale Marker	5549
Shale 1	5597
Upper Ismay	5619
Upper Ismay massive anhydrite	Absent
Upper Ismay mound	5657
Hovenweep Shale	5761
Lower Ismay	5801
Lower Ismay anhydrite	5818
Lower Ismay carbonate	5839
Gothic Shale	5850
Upper Desert Creek	5870
Upper Desert Creek anhydrite	5881
Lower Desert Creek	5909
Lower Desert Creek anhydrite	5917
Lower Desert Creek mound	5925
Chimney Rock Shale	5940
Akah	5957
Salt	5835
Total Depth	6000

C. Estimated Depths at which Anticipated Water, Oil, Gas or other Mineral-Bearing Formations are Expected to be Encountered:

Hydrocarbon bearing zones may be found from 5657' (Upper Ismay mound) to 5,925'. Commercial water zones are not anticipated. All formations below surface may contain water. Fresh water zones will be protected through casing and cementing programs (see parts E & F).

D. Minimum Pressure Control Equipment & Auxiliary Equipment: (see attached diagram)

1. One 11" - 3000 psig annular preventer. One 11" - 3000 psig double ram blowout preventer with blind rams and one set of 4 1/2" drill pipe rams (above blind ram) will be installed and utilized prior to drilling below 8 5/8" surface csg. Flow sensor and PVT will be installed prior to drilling below surface casing and utilized to T.D.
2. Blowout preventer or drilling spool will be equipped with one 3" and one 2" side outlet.
3. A 3000 psig choke manifold with two (2) adjustable chokes will be installed prior to drilling below surface casing. The choke line will be as straight as possible and turns, if required, will have a targeted T block.
4. An accumulator rated at 3000 psig W.P. with a minimum of three (3) hydraulic control stations will be utilized. One for annular, one for blind rams and one for pipe rams. Remote controls will be located at the accumulator house at G.L. and on the floor. Manual controls (e.g. hand wheels) will be located at G.L. outside the substructure. A valve shall be installed in the hydraulic closing line to serve as a locking device when the accumulator system is inoperative.
5. Pressure testing procedures and requirements. Prior to drilling out below the 8 5/8" surface casing, surface casing will be tested to 1500 psig (70% of minimum internal yield of the 8 5/8", 24#/ft., K-55 surface casing) for a minimum of 5 min. BOP stack and associated equipment (e.g., choke manifold, lower and upper kelly cocks, valves, etc.) will be tested to 3000 psig for 15 min. utilizing a test plug. The annular preventer will be tested to 1500 psig for 15 min. Certified BOP testing service company will be utilized for pressure testing. All pressure testing operations must be witnessed by Petral's well site representative (McIlroy & Associates, Inc.).
6. Drilling contractor will perform a daily operational check of all BOP equipment (e.g. includes associated equipment). Pipe and blind rams shall be activated each trip.
7. All BOP pressure testing & operational checks to be recorded in the daily "Tour" book.
8. A BOP and pit level drill will be conducted by the drilling contractor weekly and noted in the "tour" report book.
9. 24 hours prior to pressure testing notify the BLM, and Utah Division of Oil, Gas & Mining.

Every 30 days using a test plug the BOP and accessory equipment must be pressure tested to 3000 psig. The annular preventer will be tested to 1500 psig. Notify the BLM and Utah Division of Oil, Gas & Mining prior to test.

E. Casing Program:

Surface Casing:

45 Jts. - 1810', 8 5/8", 24 #/ft, J-55, ST&C, "A" Grade (new).

Accessory Equipment

- 1 - 8 5/8" Guide Shoe
- 1 - 8 5/8" Insert Float installed 1st joint above shoe.
- 1 - 8 5/8" Centralizer placed middle of shoe joint.
- 1 - 8 5/8" Centralizer on 2nd collar above shoe.
- 3 - 8 5/8" Centralizer thereafter on every 4th collar for 3 centralizers.
- 6 - 8 5/8" Centralizer thereafter on every 6th collar for 6 centralizers.
- 1 - 8 5/8" Centralizer placed 3rd collar from surface.
- 12 Total Centralizers

Production Casing (New):

Interval	Net-Ft.	Gross-Ft	Specifications
0 - 6,000'	6,000'	6,060'	5 1/2", 15.5#/ft., J or K-55, ST&C or LT&C, New

Accessory Equipment

To be determined at time of need.

Testing Procedure:

At time of BOP testing and prior to drilling out, surface casing will be tested to 70% of burst pressure for new casing (1500 psig). Production casing will be pressure tested to a minimum of 3000 psig prior to commencement of completion.

F. Cementing Program: Check water quality for all cementing slurries.

Surface Casing: (Tentative - volumes and types may be changed. Designed to circulate cement to surface - 100% excess.)

Lead Slurry:

675 sks. 35/65 Poz Class G cement w/6% D20 (gel), 2% S1 (CaCl₂) & 1/4#/sk. Flocele
Slurry yield 1.83 CF/sk

Tail Slurry:

150 sks. Class "G" cement w/2% S1 (CaCl₂) & 1/4#/sk. Flocele
Slurry yield 1.16 CF/sk

Note:

If cement does not circulate to surface, utilize 1" to bring to surface.

Production Casing:

(Cemented minimum of 1000' fillup above potential pay zone(s))

Preflush:

10 Bbls. fresh water

40 Bbls. CW-7 (Chemical Wash)

Scavenger:

140 sks. Pozmix A Scavenger

Lead Slurry:

75 sks. Class Rfc (10:1), 1/4#/sk. D29 (Flocele).

Tail Slurry:

160 sks. 50:50 Poz: Class G w/2% D20 (Gel), 1.5 gps D600 (Gasblok), 0.15% D65 (TIC Dispersant), and 1/4 #/sk. D29 (Flocele).

Note: Slurry volume to be recalculated based on hole caliper and number and depth of zones. 25% excess and 7 7/8" hole used for initial calculations.

G. Drilling Fluids:

Depth	0 - 1810'	1810' - 5300'	*25300' - 5800'	5800' - T.D.
Wt. - #/gal	8.4 - 8.9	*18.4 - 10	9.0 - 10+	*39.0 - 11+
Vis. - sec./qt.	27 - 40	30 - 35	45 - 55	45 - 55
WL - cc	NC	NC	8 Max	8 Max
Ph	NC	NC	7.0 - 8	7.0 - 8
PV/YP	--	--	14-22/25-35	14-22/25-35
Gels (sec/ min)	--	--	8-15/15-20	8-15/15-20
Type System	FWG	FW/Salt/ Polymer Sweeps	Salt Brine/ Polymer	*3Salt/Poly/ CaCO ₂

Notes:

- *¹ Drill with fresh water until water flows that cannot be controlled are experienced or until the LaSal. If required, add salt to the system for the purpose of weighting up mud system. Maximum mud weight is 10 ppg with this type system. If a higher mud weight is required calcium carbonate will be required.
- *² At \approx 5300' mud up with a salt/brine system. Keep chlorides at a maximum of 35,000 to 50,000 ppm, unless higher chlorides are necessary for mud weight to-control water flows. At mud up point begin running polymer - Magmafiber and/or calcium carbonate sweeps (i.e. 30 bbls.) to assure good hole cleaning properties. Upper Ismay Mound should be drilled with lowest possible mud weight (i.e. ideally <9 #/gal.). Have Magmafiber in the mud system prior to coring (i.e. \approx 10 sks.) Use only Magmafiber for lost circulation material.
- *³ Lower Desert Creek may be overpressured and require a weighted mud system. Utilize calcium carbonate as a weighting material.

Prior to penetrating the Upper Ismay Mound or the Lower Desert Creek Mound add 100 ppm nitrates to the mud system.

Solids Control Equipment:

Linear motion shale shaker (normal screen sizes: 84, 110, 144).

Mud cleaner (normal screen size: 150, 200).

Desander/desilter as required (do not use with CaCO_3 in system).

Centrifuge to mud up point (i.e. 5300').

Premix tank (100 bbls.).

Sufficient mud materials to maintain mud requirements and meet minor lost circulation and blowout problems will be on the wellsite. The pits will be monitored on trips to assure that the hole is kept full while tripping the drilling string. A pit volume totalizer (PVT), stroke counter & flow sensor will be utilized below the surface casing setting depth to T.D.

H. Coring, Testing, Logging and Tentative Completion Program:

1. Two 60' cores of Upper Ismay mound at estimated depth of 5,657' TVD and possibly one 60' core of the Lower Desert Creek Mound. On site geologist to pick core point and samples for analyses.
2. Drill stem tests will be at the discretion of the operator and will be based on shows, logs, hole conditions, etc.
3. If a completion attempt is to be made, 5 1/2" casing will be cemented into place. The following presents a summary of tentative completion procedures.
 - a. Perforate pay zones with approximately 4 shots/ft.
 - b. Perforations may be stimulated w/HCl acid.

A Sundry Notice will be filed with the final completion plan.

Note: All perforations and the size of stimulation jobs are tentative and final design will be based on electric logs, cores, and drill stem test data.

4. Logging:
 - Schlumberger Platform Express, AIT, GR-BHCS (long spaced integrated) w/Cal - Base surface casing to T.D.
 - GR-FDC-CNL-w/PE (min.) - Base surface casing to T.D.
 - FMI (high resolution stratigraphic dipmeter, decision for Imager interpretation to be made later) - lower 800' of hole.
 - GR-DLL - Base surface casing to T.D.
 - Digital Data for all logs to be on disk in LAS format.
 5. Samples:
 - 10' samples 5,000' to TD
- All cutting samples are to be washed and stored in properly marked cloth bags. Tie the sample bags in 100'

depth groups to dry. Store in a clean, dry place. Sample depth intervals may be changed at the discretion of the geologist.

I. Abnormal Conditions or Potential Hazards:

Potential problems include possible water flows to 5400'; abnormal pressure in Lower Desert Creek Carbonate (3500 psig); lost circulation and seepage, surface to TD w/possible differential sticking. Estimated temperature at T.D. 140 F. Hydrogen sulfide gas is not anticipated.

J. Auxiliary Equipment Required: See Paragraph D.

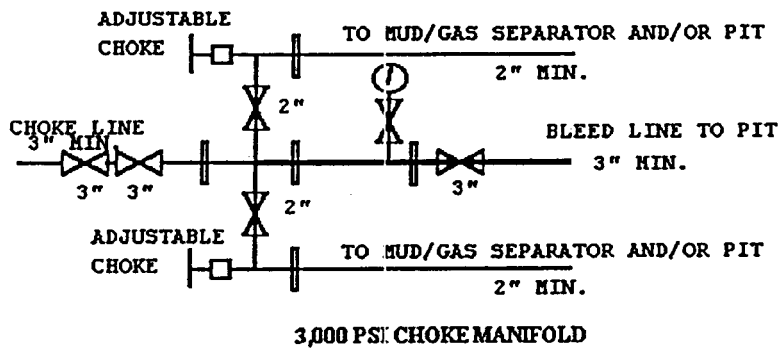
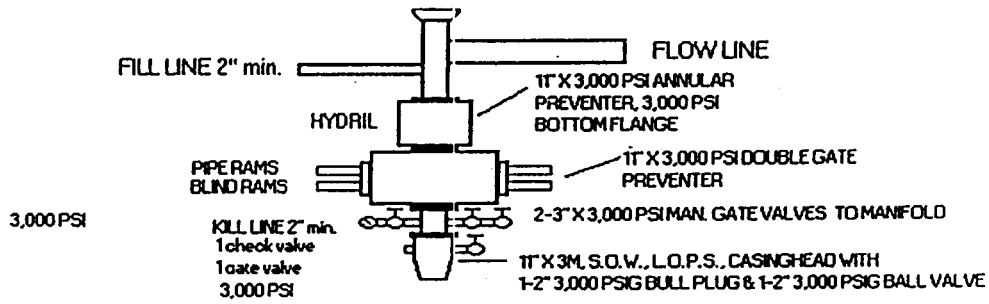
K. Anticipated Starting Date of Drilling Operations:

Plan to start drilling June 15, 1997. 15 days should be required to drill, test, log and set casing.

L. Additional Considerations:

None.

BOP EQUIPMENT
3,000 PSIG W.P.



MCILNAY AND ACCOCIATES, INC.

Operator: PETRAL EXPL., LLC	Well Name: Knockdhu #8
Project ID: Kdhu8	Location: Sec. 33-T37S-R25E

Design Parameters:

Mud weight (9.63 ppg) : 0.500 psi/ft
 Shut in surface pressure : 2280 psi
 Internal gradient (burst) : 0.120 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	6,000	5.500	15.50	J-55	ST&C	6,000	4.825	
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Tension Load Strgth S.F. (kips) (kips)	
1	3000	4040	1.347	3000	4810	1.60	93.00	202 2.17 J

Prepared by : Ken Kidneigh, Casper, WY

Date : 05-16-1997

Remarks :

Production Casing

Minimum segment length for the 6,000 foot well is 1,500 feet.

String type: Production

The mud gradient and bottom hole pressures (for burst) are 0.500 psi/ft and 3,000 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

SURFACE USE PROGRAM

**Petral Exploration, LLC
#8 Knockdhu Unit
1912' FSL & 1550' FWL
NE SW Sec. 33-T37S-R25E
San Juan Co., UT
Unit - 75040X Lease # UTU - 75521**

A. Existing Roads

1. To visit the wellsite, proceed south for 1 mile from the Comfort Inn in Blanding, Utah and turn left at Amer-Gas on 700 E Brown Canyon Road. Continue 1 mile to County Road #206 and turn right. Stay on Co. 206 for 8.5 miles (keep to left at fork) and go an additional 15.4 miles (total of 23.9 miles on Co. 206) to Perkins Ranch Road (County Road # 347) and turn left. Cross creek and turn right around trailer house in front of ranch house and go east 4 miles through Wexpro Patterson #1 well. Go 500' and take the left fork for 1.2 miles to silver tank and turn left. Go about 1000', just past the west edge of the central tank battery and turn right on proposed new access road to proposed surface location of well.
2. Existing roads are paved, gravel or dirt and are suitable for heavy loads. Existing roads, excluding those maintained by the State or County, will be maintained in the same or better condition. Petral will participate in any cooperative agreement that currently exists, or might be required in the future, to improve and maintain the existing roads. The access road will not cross Indian lands. With the exception of State or County maintained roads, the existing roads are on State of Utah, Bureau of Land Management and land owned by Marvin and Patricia Redburn, 26102 Hwy 145, Dolores, CO, 81323.
3. Proposed wellsite and access roads: See Figures 1 - 3.

B. Access Roads to be Constructed or Reconstructed:

See Figure 2. The last 1/4 mile to the location will be a newly constructed access road bladed and if necessary with low water crossings. These roads will be upgraded and graveled as needed if production is obtained.

C. Existing Wells within a One-Mile Radius: (See Figure 2)

- | | |
|----------------------|-------|
| 1. Water Wells: | None |
| 2. Injection Wells: | None |
| 3. Abandoned Wells: | Three |
| 4. Disposal Wells: | None |
| 5. Producing Wells: | Four |
| 6. Drilling Wells: | One |
| 7. Under Completion: | None |

D. Location of Existing and/or Proposed Facilities if Well is Productive:

1. Facilities Required in the Event of Production on Well Pad:
 - a. Location of Facilities:
See Figure 5 for location of facilities. All facilities will be on the wellsite pad. Production facilities (including dikes) will be placed on the cut portion of the location (Figure 5).
 - b. Dimension of Facilities:
Production pad a maximum of 160' x 305' (See Figure 5). A heater treater will be located approximately 100' northeast of the well. Two 300 or 400 bbl. oil storage tanks and one 300 or 400 bbl. water tank will be located approximately 60' east of the heater treater and 135' northeast of the well. The dikes for the production facilities will be constructed of compacted subsoil, hold 1 ½ times the capacity of the largest tank, and be independent of the back cut. That portion of the drilling pad that is not needed for production will be rehabilitated.
2. Facilities Required off Well Pad in the Event of Production:
Upgrade and maintain access roads as necessary to prevent soil erosion and accommodate year-around traffic.

E. Location and Type of Water Supply: (See figure 1)

1. The water will be trucked from artesian wells located in Section 1-T38S-R24E. Permits will be obtained from the State Engineer.
2. The water source is not located on State land. Water will not be obtained from Indian projects.
3. A water well will not be drilled.

F. Construction Materials:

1. Native soil will be utilized in the drilling site and access road. Newly built access road (1/4 mile) will be graveled as needed if a producing well is obtained. Additional gravel may be needed for the pulling unit pad and wellsite if the well is found to be productive.
2. No construction material from Indian lands.
3. Crushed rock, if necessary, will be purchased from construction contractors in the area from existing gravel pits and hauled over access roads shown on Figures 1 & 2.

G. Methods for Handling Waste Disposal:

1. Cuttings:
Reserve pit 75' x 125' x 10' (3:1 slope) fenced on three sides during drilling operations. The pit will be lined with 24 tons of bentonite worked in with a cat. The fourth side will be fenced and the pit will be netted when the rig moves out (See Figures 3-6).
2. Drilling Fluids:
Reserve pit 75' x 125' x 10' (See figures 3 & 4). The reserve pit will be constructed to prevent the collection of surface runoff.
3. Produced Fluids:
 - a. Recovered during drill-stem tests will be disposed of in a test tank.
 - b. During completion, produced fluids will be contained in swab tanks (See Figure 6).
 - c. Water disposal will be provided in accordance with BLM Onshore Order #7.
4. Sewage:
Porta potty with tank or portable sewage treatment plant (i.e. On Site Sewage Treatment, Inc.) capacity of 700 gal/day of treated water disposed of into reserve pit. Any other sewage will be removed from the location by a commercial service. Closed septic tank may be used for the camp trailer.
5. Garbage and Trash:
 - a. An enclosed trash bin will be utilized.
 - b. Engine oil and lubricants will be collected in containers.
6. Clean-up of Wellsite Area after Rig is removed:
 - a. Trash will be carried off site for disposal.
 - b. All pits and wellsite will be covered, leveled and reseeded as per BLM instructions.

H. Ancillary Facilities: None.

I. Wellsite Layout:

1. Cross section: See Figure 3 for elevations and cross section. Maximum cut is approximately 6' at the north corner of the drilling pad. Maximum fill is approximately 9' at the southwest edge of the drilling pad.
2. Orientation of rig, pits and associated equipment (See Figure 4).
3. Six inches of topsoil will be removed from the location (drilling pad) including areas of cut and fill. Soil will be stockpiled adjacent to the wellsite pad (See Fig.3).
4. Access road, living facilities, parking area, etc. (See Figure 4).

J. Plans for Restoration of Surface:

1. All pits will be backfilled, leveled and contoured to as near the current condition as is practical.
2. Revegetation and rehabilitation of the wellsite and access road as per BLM specifications.
3. All pits will be fenced and netted until dry and then backfilled.
4. If oil is present on the reserve pit, it will be removed or netting will be installed.
5. Rehabilitation will be commenced when the rig moves out with the location restored by Fall, 1997. Complete fall seeding after September 1997 and prior to ground frost. Rehabilitation will be completed by November 1, 1998.

K. Surface Ownership:

1. Access roads:
See Figures 1 & 2. Bureau of Land Management (on lease) and Marvin and Patricia Redburn. An easement has been obtained from Marvin and Patricia Redburn across portions of Section 33-T37S-R25E.
2. Well Location:
Bureau of Land Management - See Figures 1 & 2.

L. Other Information:

1.
 - a. BLM to be notified 48 hours prior to starting dirtwork.
 - b. Wellsite and access road are located in arid, sandy, hilly terrain.
 - c. Soil is shallow, sandy, and silty.
 - d. Vegetation consists of very sparse native grasses and sparse sagebrush, and small trees.
 - e. The area is a natural habitat for wildlife (i.e., deer, antelope, rabbits, etc.).
2. Livestock were grazing in the area when the wellsite was visited.
3.
 - a. Intermittent streams (i.e., flow during wet seasons of the year) do exist in the area
 - b. There are no occupied buildings within one mile of the proposed wellsite.
 - c. Historical, cultural and archeological survey has been conducted by 4 Corners Archeological Services. No cultural or archaeological evidence was discovered in the area of the access road and wellsite. A fence will be constructed on the east side of the wellsite to protect a nearby archeological site. See attached archeological report.

M. Lessee's or Operators Representative and Certification:

Operator

Petral Exploration, LLC------(303) 832-3131
P. O. Box 5083
Denver, CO 80202

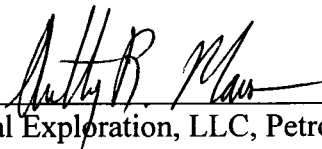
Representative

McIlnay & Associates, Inc.------(307) 265-4351
2305 Oxford Lane
Casper, WY 82604

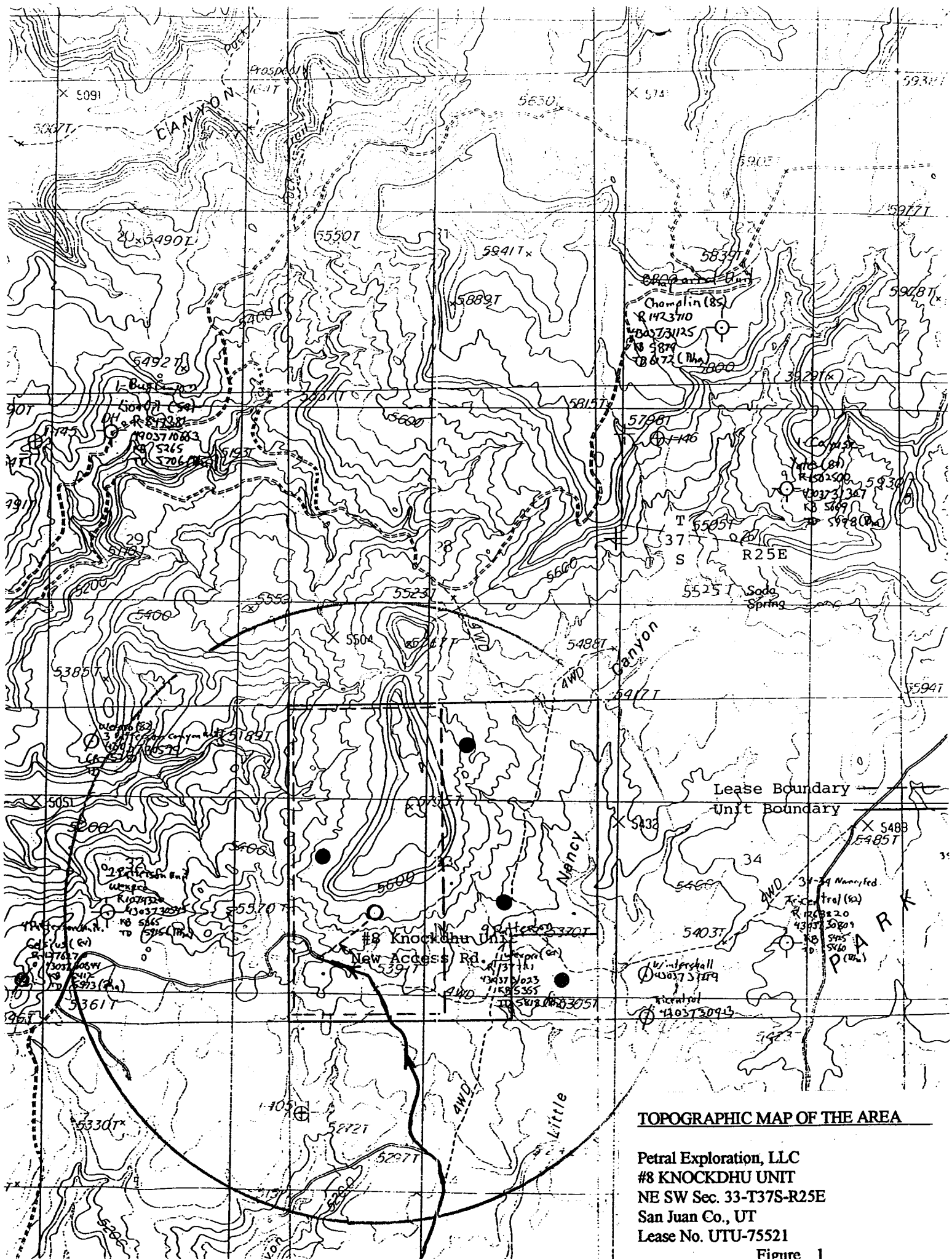
I hereby certify that I or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Petral Exploration, LLC and its' contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date

5-19-97

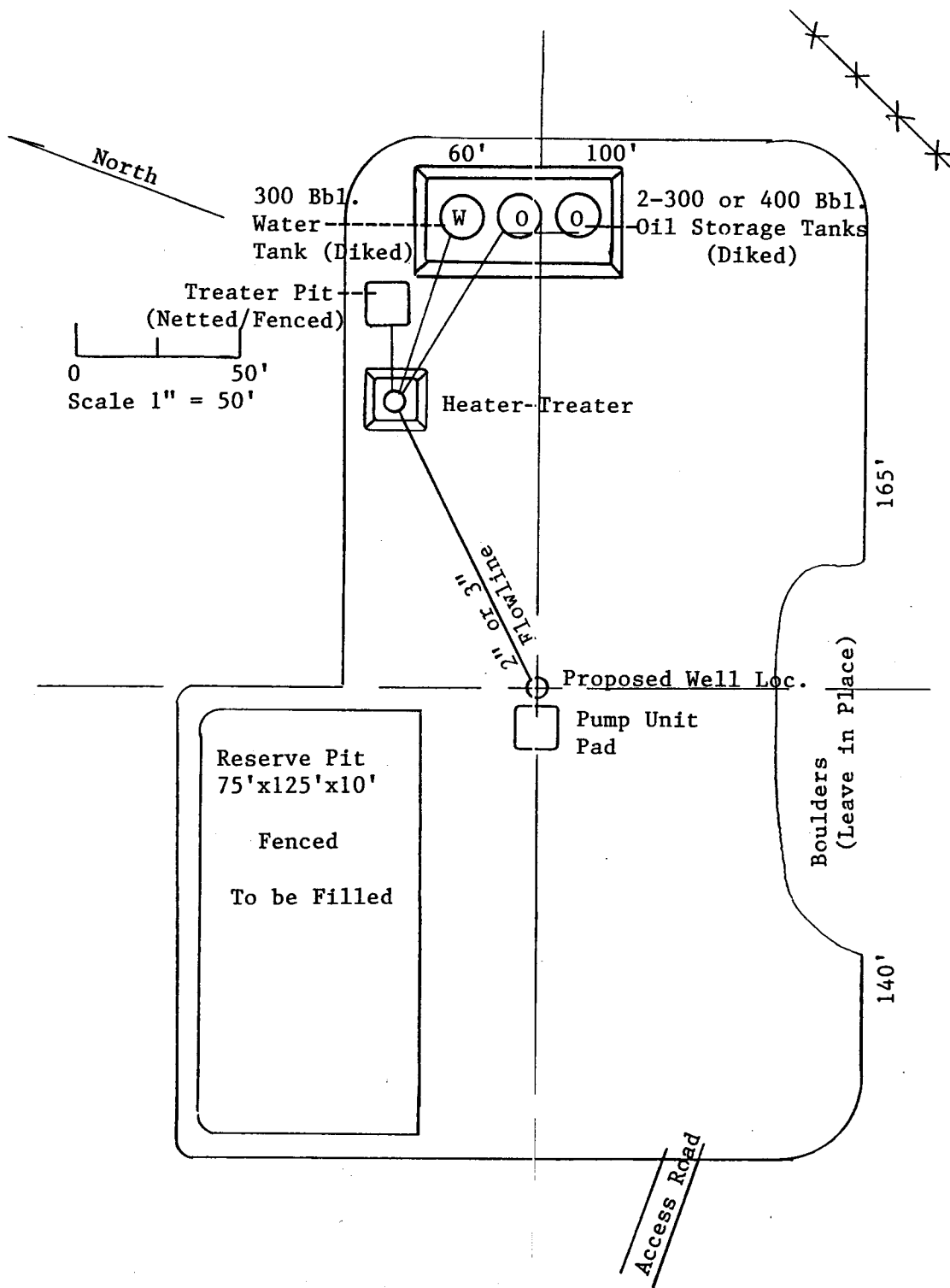


Petral Exploration, LLC, Petraro Corp., Manager



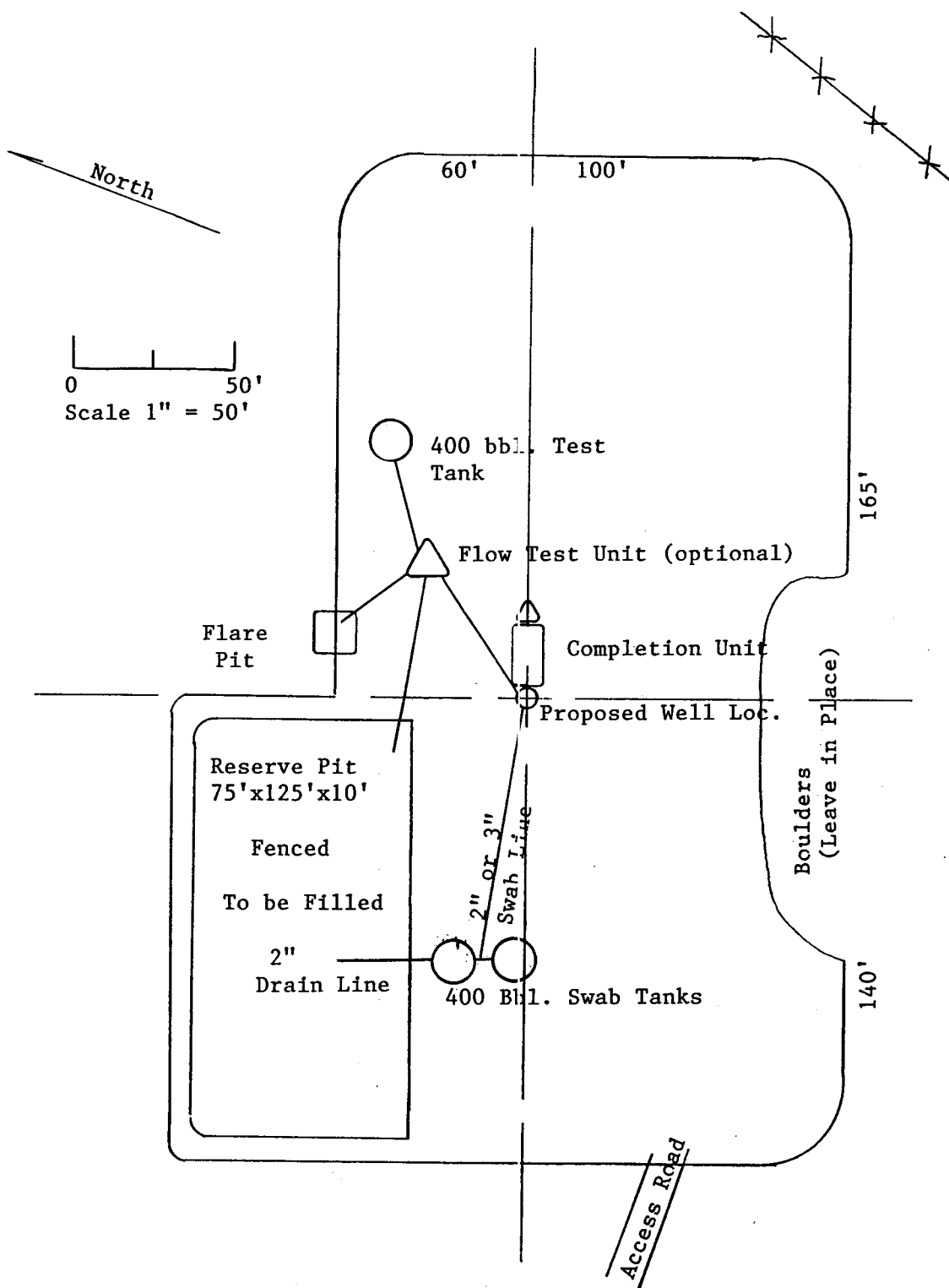
TOPOGRAPHIC MAP OF THE AREA

Petrals Exploration, LLC
#8 KNOCKDHU UNIT
NE SW Sec. 33-T37S-R25E
San Juan Co., UT
Lease No. UTU-75521



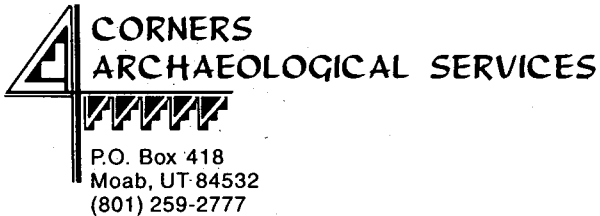
PRODUCTION FACILITIES

Petral Exploration, LLC
 #8 KNOCKDHU UNIT
 NE SW Sec. 33-T37S-R25E
 San Juan Co., UT
 Lease No. UTU-75521
 Figure 5



COMPLETION LAYOUT

Petral Exploration, LLC
 #8 KNOCKDHU UNIT
 NE SW Sec. 33-T37S-R25E
 San Juan Co., UT
 Lease No. UTU-75521



Mr. Ed McInay
McInay & Associates, Inc.
2305 Oxford Lane
Casper, WY 82602

May 12, 1997

Dear Ed:

For your records please find two copies of our archaeological report for Petral Exploration Company's #8 Knockdhu Unit well pad and access located in San Juan County, on lands administered by the Bureau of Land Management, San Juan Resource Area. A total of 14.8 acres were surveyed for cultural resources.

One previously recorded archaeological site, 42SA22772, was found approximately 55' east of the front right corner of the proposed well location. Because of the sites' close proximity to the construction zone, it is recommended that the southwest edge of the site boundary be fenced for avoidance prior to any construction activities. If the site is fenced for avoidance, than no adverse effects should occur as a result of project activities.

Copies of the report will be hand delivered to the Bureau of Land Management -Monticello Office - tomorrow 5/13/97. Also please find enclosed an invoice for the clearance survey.

Sincerely,

Carol S. DeFrancia
Owner/4-CAS

**ARCHAEOLOGICAL SURVEY OF
PETRAL EXPLORATION COMPANY'S
PROPOSED #8 KNOCKDHU UNIT WELL PAD & ACCESS
SAN JUAN COUNTY, UTAH**

4-CAS REPORT 9717

**by
Carol S. DeFrancia**

**4-CORNERS ARCHAEOLOGICAL SERVICES
76 S. Main Street
Moab, Utah 84532
(801) 259-2777**

May 12, 1997

**FEDERAL ANTIQUITIES PERMIT 96UT62712
Utah State Permit No. U-97-FE-0200b**

**Prepared For:
Petal Exploration
1700 Lincoln, Suite 5000
Denver, CO 80203**

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ABSTRACT

The archaeological survey of Petral Exploration Company's proposed #8 Knockdhu Unit well pad and access route was conducted by personnel of 4-Corners Archaeological Services between May 6, and May 7, 1997. The project is located in the vicinity of Little Nancy Canyon in San Juan County, Utah, approximately twenty miles southeast of the town of Blanding. A total of 14.8 acres were inventoried for cultural resources.

One archaeological site, 42SA22772, was found ca. 55' east of the front right corner of the proposed well location. No other cultural resources were found in the project area.

INTRODUCTION

The archaeological survey of Petral Exploration Company's proposed #8 Knockdhu Unit well pad and access route was conducted by Carol DeFrancia of 4-Corners Archaeological Services between May 6 and May 7, 1997. The project is located along a bench area northwest of Little Nancy Canyon (Figure 1) on lands administered by the Bureau of Land Management, San Juan Resource Area Office, Monticello. The survey was requested by Mr. Ken Kidneigh, Production Engineer for McIlnay & Associates, Inc. Huddleston Surveying personnel staked and flagged the well pad and access prior to the survey. The proposed well location will be accessed on the south side of the location and extend approximately 1400' southwest to an existing well service road. A total of 14.8 acres were inventoried for cultural resources (Figure 2).

Federal and state governments have enacted legislation that is designed to conserve and protect cultural resources. The principal federal legislation includes the Antiquities Act of 1906 (PL 52-209), the National Historic Preservation Act of 1966 (PL 89-665), the National Environmental Policy Act of 1969 (PL 91-190), the 1971 Executive Order No. 11593, the Archeological and Historical Conservation Act of 1974 (PL 93-291), and the Archaeological Resource Protection Act (ARPA) of 1978 (PL 95-96).

One previously documented site, 42SA22772, lies approximately 55' east of the front right corner of the proposed well location. Because of the sites' close proximity to the construction zone, it is recommended that the southwest edge of the site boundary be fenced for avoidance prior to any construction activities. If the site is fenced for avoidance, than no adverse effects should occur as a result of project activities.

PROJECT AREA

Map Reference: Bug Canyon, Utah 1985 (7.5' series)

Total Project Area: 3.3 acres; area surveyed 14.8 acres

#8 Knockdhu Unit Well Pad

Legal Description: T37S, R25E: SW, NE, SW of section 33

Center Stake: 1912' FSL, 1550' FWL

UTM Coordinates:		Easting	Northing
(Surveyed Area)	NW Corner	660640	4154520
	NE Corner	660840	4154570

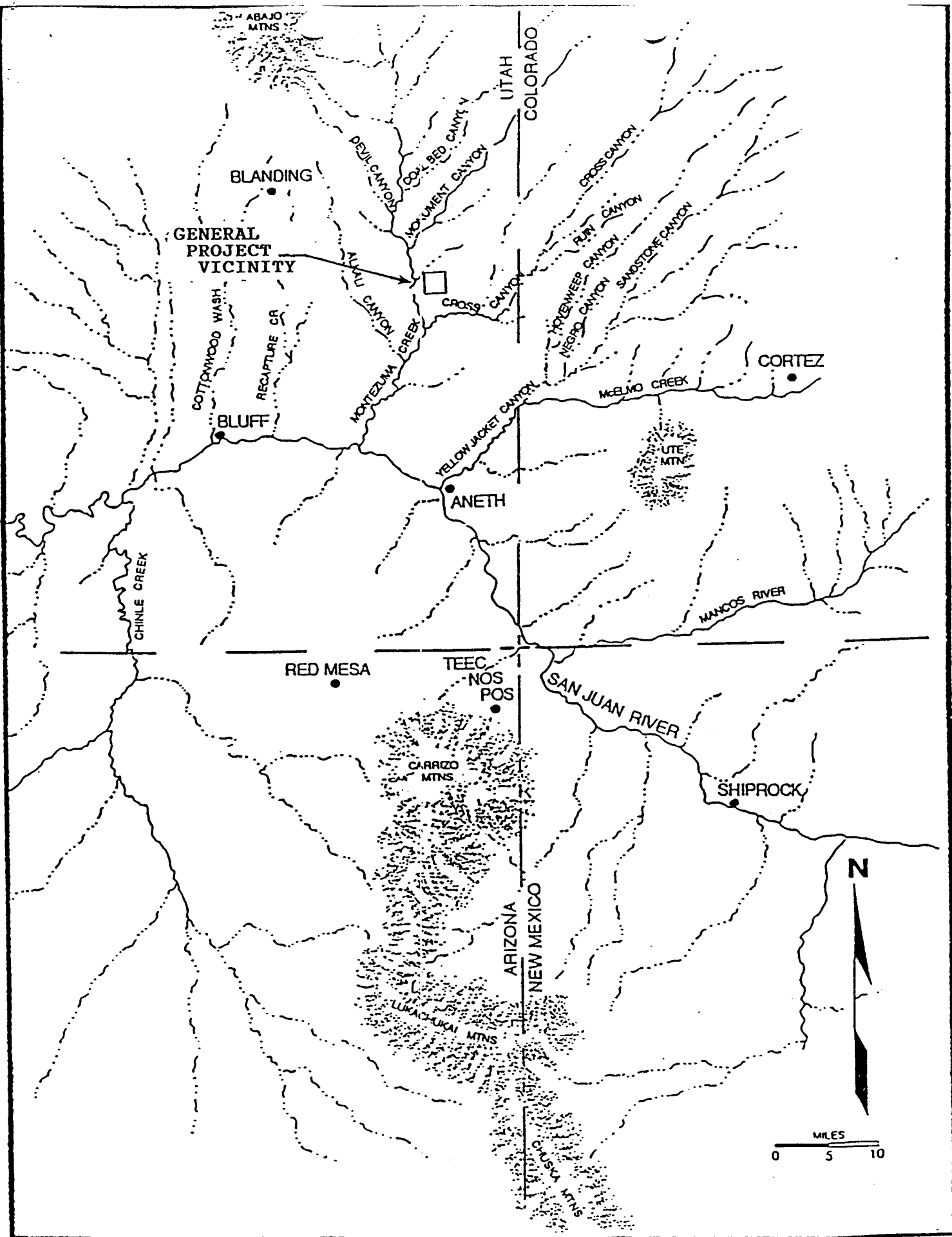


Figure 1. Project Area

SE Corner 660890 4154370
SW Corner 660700 4154320

Project Area: Well Pad 210 x 305'; (1.4 acres)

Surveyed Area: 660 x 660' (10 acres)

Results: One previously documented site, 42SA22772, lies approximately 55' east of the front right corner of the proposed well location.

Access Route:

Legal Description: T38S, R25E: SW,SW and NE,SW of section 33

UTM Coordinates:	Easting	Northing
NE End	660760	4154400 (well pad)
bend	660690	4154300
bend	660520	4154220
SW End	660420	4154190 (road tie)

Project Area: 1400' long, maximum 60' wide (1.9 acres)

Surveyed Area: 1400' x 150' (4.8 acres)

Results: No cultural resources found.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in San Juan County, Utah approximately twenty miles southeast of the town of Blanding, northwest of Little Nancy Canyon. The area lies in the Colorado Plateau physiographic province and is a structural element of the Blanding Basin (Stokes 1977). The proposed well pad occupies the base of a prominent butte along a bench area northwest of Little Nancy Canyon. Several small south and southwest-trending ephemeral drainages bisect the well location. Terrain in the general area is moderately rugged and heavily dissected with aeolian and colluvial deposits along the canyon benches, cobble to boulder-sized colluvial deposits along canyon slopes, and sandy alluvium along the floodplain. Pockets of Morrison Formation clayey loams are exposed along the slopes of the canyon drainages.

Throughout the Blanding Basin are numerous sources of lithic materials for tool manufacture, outcrops of clay and iron minerals for ceramic construction and decoration, and an abundance of sandstone for construction materials important to the areas prehistory.

Vegetation along the canyon bench is predominately a sage flat with a cold desert shrub association consisting of shadscale, four-wing saltbush, euphedra, snakeweed, and grasses. A pinyon-juniper woodland is present along the canyon slopes north and south of the project area. Soda Spring, a permanent water source in the area, is located approximately two miles northeast of the location. Nancy Patterson Canyon, which lies approximately one-half miles east, holds water for several months throughout the late winter/spring season.

Reptilian, avian, and mammalian associations are consistent with those of the Upper Sonoran Life Zone throughout the Colorado Plateau.

Currently, most of the area is used for oil and gas development.

PREVIOUS RESEARCH

Several file searches have been conducted between May 1996, and May 1997 at the BLM San Juan Resource Area Office in Monticello, and the Utah Division of State History, in Salt Lake. The results of the review indicate that a number of oil and gas related surveys have been conducted in the general vicinity over the past fifteen years. More recently, one extensive 3-D seismic program was conducted within the project area (JBR; 1995) as well as several smaller well pad and pipeline surveys (4-CAS; 1996 and 1997). The file search indicated that a few archaeological sites (5+) are documented in close proximity to the project area. Site 42Sa22772, a Pueblo II habitation, lies ca. 55' east of the proposed well location. Site types affiliated with the Archaic and Anasazi occupation of the area range from lithic scatters and small isolated features to larger prehistoric habitations and village-size settlements.

EXAMINATION PROCEDURES

Prior to the field investigations the well pad and access route was staked and flagged. A 660 x 660' area surrounding the well center stake (10 acres) was inventoried by walking a series of multiple parallel transects spaced 15m apart. Two parallel zig-zag transects were walked along the 1400' of access route, covering a 150' wide corridor.

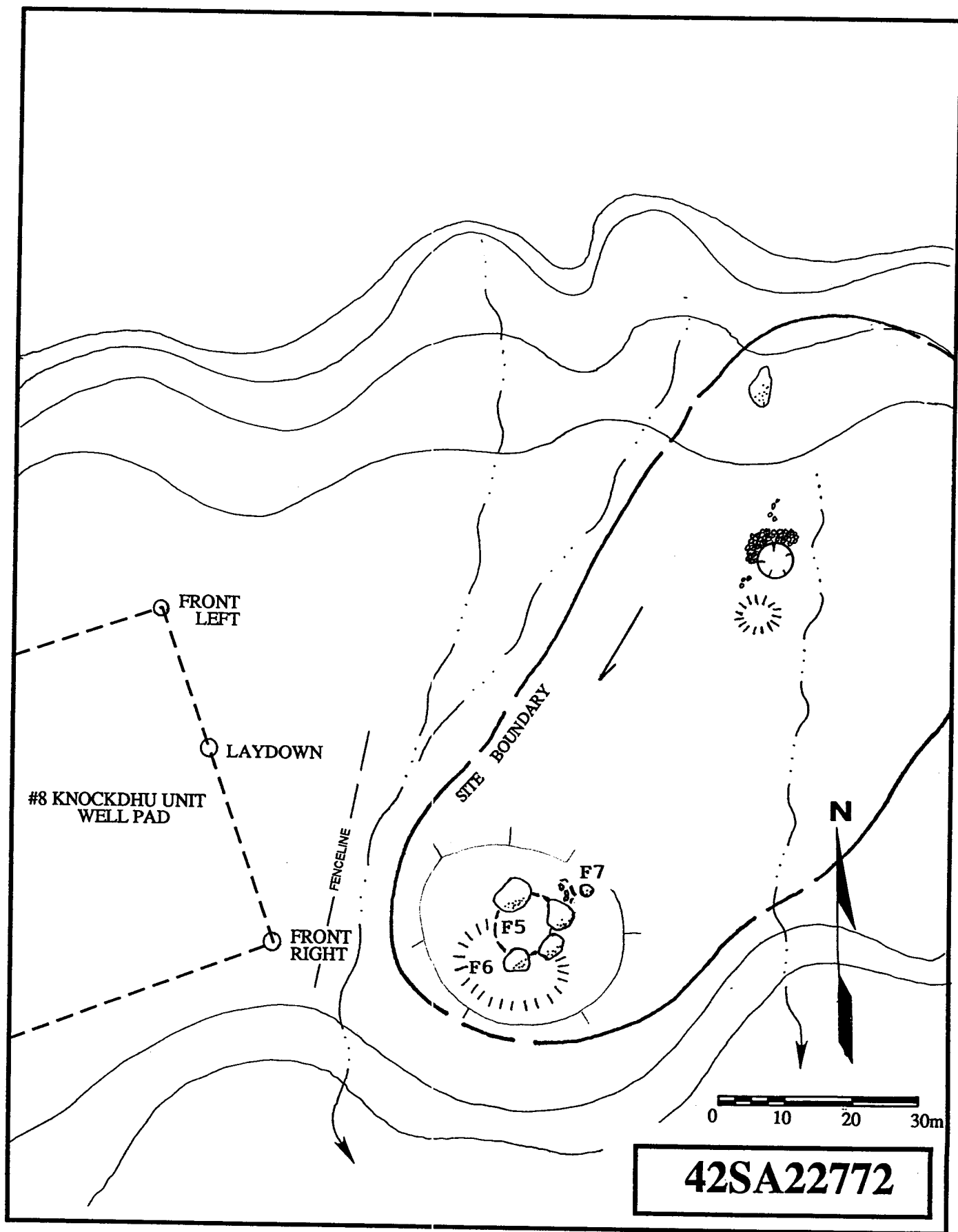
SURVEY RESULTS

One archaeological site, 42Sa22772, was found approximately 55' east of the front right corner of the proposed well location. The site was previously documented as a "aboriginal unknown?" - Pueblo II-III rubble mound and room block (JBR; 1995:75). After further inspection in the field, the site more accurately represents a Pueblo II habitation based on architectural morphology of a roomblock/kiva complex and over 250 sherds representing a Pueblo II ceramic assemblage. No Pueblo III ceramics were found in the vicinity. Site features 5 - 7, an isolated roomblock, cultural depression, and upright slab feature, were misplotted on the site map during the original inventory, and were subsequently relocated during this survey (Figure 3). Because of the potential for significant buried cultural deposits, the site is considered eligible for a National Register listing.

CONCLUSION AND RECOMMENDATIONS

The archaeological survey of Petral Exploration Company's proposed #8 Knockdhu Unit well pad and access route was conducted by personnel of 4-Corners Archaeological Services between May 6, and May 7, 1997. The project is located in San Juan County, Utah, on lands administered by the Bureau of Land Management, San Juan Resource Area, approximately twenty miles southeast of the town of Blanding. A total of 14.8 acres were inventoried for cultural resources.

One previously recorded archaeological site, 42SA22772, was found approximately 55' east of the front right corner of the proposed well location. Because of the sites' close proximity to the construction zone, it is recommended that the southwest edge of the site boundary be fenced for avoidance prior to any construction activities. If the site is fenced for avoidance, than no adverse effects should occur as a result of project activities.



(Figure 3)

REFERENCES

DeFrancia, Carol S.

1997 Archaeological Survey of Petral Exploration Company's Proposed #6 Knockdhu Unit Well Pad & Access, San Juan County, Utah. 4-CAS Report No. 9713, Moab.

1996 Archaeological Survey of Petral Exploration Company's Proposed #4 Knockdhu Unit Well Pad & Access, San Juan County, Utah. 4-CAS Report No. 9626, Moab.

1996 Archaeological Survey of Petral Exploration Company's Proposed #3 and #5 Knockdhu Unit Well Pads & Access Routes, San Juan County, Utah. 4-CAS Report No. 9625, Moab.

1996 Archaeological Survey of Petral Exploration Company's Proposed Knockdhu Federal #2 Well Pad, San Juan County, Utah. 4-CAS Report No. 9617, Moab.

1996 Archaeological Survey of Petral Exploration Company's Knockdhu Federal #1 Pipeline Route, San Juan County, Utah. 4-CAS Report No. 9612, Moab.

1996 Archaeological Survey of Petral Exploration Company's Knockdhu Federal #1 Well Pad & Access Route, San Juan County, Utah. 4-CAS Report No. 9610, Moab.

Moore, Michele, Jenni Prince-Mahoney, and Scott Billat

1995 An Archaeological Inventory of 51 Miles of 3-D Seismic Program Across Montezuma Canyon, San Juan County, Utah. JBR Cultural Resource Report No. 95-16, Sandy.

Stokes, William Lee

1987 Geology of Utah. Occasional Paper Number 6. Utah Museum of Natural History, University of Utah, Salt Lake City.

ROADWAY EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT, Marvin Redburn and Patricia Redburn, husband and wife, of 26102 Hwy 145, Dolores, Colorado 81323, hereinafter designated "Grantor", for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Petral Exploration LLC, of P.O. Box 5083, Denver, Colorado 80202, the receipt of which is hereby acknowledged, Does hereby GRANT and CONVEY unto Petral Exploration LLC, its successors and assigns, an easement for the right to construct, operate, use and maintain a roadway across the following described land and premises situated in the County of San Juan, State of Utah, to-wit:

Township 37 South, Range 25 East
Section 33: S1/2SW1/4, SW1/4SE1/4

The Right of Way and Easement shall make use of the existing 4WD Trail as set out on the attached plat, attached hereto as Exhibit "A" and made a part hereof.

Petral Exploration, LLC, including its employees, licensees and invitees, hereinafter collectively designated as "Grantee", its successors and assigns shall have full, free and exclusive right and privilege, to travel upon, pass and repass along, and use said road in any lawful manner, including the transportation of persons, materials, supplies and commodities. It is understood, that Grantor shall have the right to use or cross said road at such times and in such manner as may be done without injuring or damaging said road or interfering in any way with Grantee's use thereof or enjoyment of the rights granted.

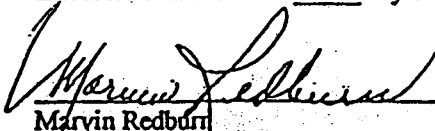
To have and to hold unto Grantee, its successors and assigns, the easement, rights and privileges herein granted and conveyed.

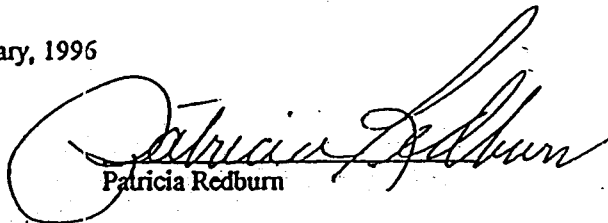
The consideration paid to Grantor hereunder constitutes payment in full for the use of said roadway easement and for all claims for damages out of or incident to the use of the surface of the strip of land located within the above described lands by Grantee, its successors and assigns, in connection with the drilling for and production of oil and gas by Grantee, its licensees, successors and assigns from wells located on lands in the vicinity of said easement, together with all operations incident thereto. Notwithstanding anything contained to the contrary herein, should the well or wells contemplated hereunder be drilled and completed as producing well(s) of oil and/or gas and associated hydrocarbons, Grantor and Grantee shall enter into an easement agreement to be effective so long as the above mentioned oil and/or gas wells are productive.

Grantee agrees that it shall be responsible for any injury caused to the lands of the Grantor and growing crops thereon or adjacent to said Easement caused by Grantee, its successors and assigns, and Grantee shall pay Grantor for any damages resulting therefrom. Grantee also agrees that if a permanent roadway is constructed, the drainage of water to the reservoir will be protected and, if need be, a culvert will be installed to protect such drainage.

The terms and provisions herein shall constitute covenants running with the land, shall be binding upon and inure to the benefit of the successors and assigns of both the Grantor and Grantee.

Executed and dated this 17th day of February, 1996


Marvin Redburn


Patricia Redburn

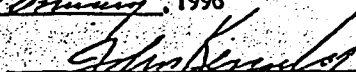
STATE OF COLORADO

County of Garfield Montezuma

On this 17th day of February, 1996, before me personally appeared Marvin Redburn and Patricia Redburn, husband and wife, to me personally known to be the persons who executed the foregoing instrument, acknowledged that they executed the same as their free act and deed.

Witness my hand and seal this 17th day of February, 1996

My Commission Expires: 1/9/2000



SAN JUAN COUNTY ROAD DEPARTMENT
835 East Highway 666
Post Office Box 188
Monticello, Utah 84535
(801) 587-3230

Application for Right-of-Way Encroachment Permit

Date May 19, 1997

TO: San Juan County Surveyor/Engineer
Post Office Box 188
Monticello, Utah 84535

Application is hereby made by: (1) Petral Exploration, LLC
c/o McIlainay & Associates

Address (2) 2305 Oxford Lane, Casper, WY 82604

Telephone Number: (307) 265-4351 for permission to do the
following: (3) Move in a drilling rig and other equipment as
needed for drilling, completing, and producing a well located
in the NE, SW Sec. 33-T37S-R25E, San Juan Co., UT utilizing
County Roads 206 and 347. Petral Exploration, LLC agrees to
repair any damages caused by their operations to said roads at
their expense.

(4) Location: As above Knockdhu #8
City Blanding County San Juan State UT
or U.S. Highway No. NA Milepost No. NA in accordance
with the attached plan. (5) 1
(6) Construction will begin on or about NA 19 and
will be completed on or before 19 .

If the proposed installation requires breaking of the
pavement, give the following information:

- a. Type of pavement: NA
- b. The opening to be made will be feet long by
 feet wide and feet deep.
- c. A bond in the amount of \$ has been posted with
 Telephone No.
to run of a term of three (3) years after completion of work to
guarantee satisfactory performance.

(7) If this permit is granted, we agree to comply with all
conditions, restriction, and regulations as contained in the
"Regulations for the Control and Protection of State Highway."

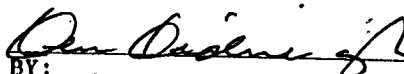
Rights-of-Way", approved by the Utah State Road Commission of October 8, 1962, and all revisions thereto or Regulations adopted by the San Juan County Commission.

(8) In approving this application and locations of utilities, and effort will be made to approve only locations that will not be affected in the event that San Juan County changes the roadway. But, in situations in which the utility has to be moved, this moving shall be done by the utility company or paid for by the company.

(9) For any and all applications requesting authority to use vibratory equipment, applicants shall:

- a. Provide map showing where vibrations will take place.
- b. Agree to repair any damages or replace any property damaged.
- c. Take full responsibility for proper flagging and traffic control.
- d. Agree that vibrating done in the area of dirt roads shall be done on the dirt road rather than in the bar ditch to minimize damage.
- e. Provide a schedule of the planned work and estimated dates of completion.
- f. Attach written permission from all adjacent fee-title owners.
- g. The San Juan County commission has authorized the San Juan County Surveyor/Engineer (or his Assignees) to issue permits.

(10) San Juan County can only grant permission to the extent that the County has the authority to do so and the permission granted hereunder is limited to the interest of authority actually owned by San Juan County and no warranties of ownership or authority to grant permission is expressed or implied by the granting of this permit.



BY:
Ken Kidneigh, McIlnay & Associates, Inc.
Representative for Petral Exploration, LLC
TITLE

To be filled in by San Juan County Surveyor/Engineer.

(1) Permit should be granted_____

Permit should not be granted_____

(2) Additional requirements which should be imposed_____.

SAN JUAN COUNTY SURVEYOR/ENGINEER



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
324 South State, Suite 301
Salt Lake City, Utah 84111-2303

RECEIVED

NOV 10 1995

IN REPLY REFER TO:

3104

(UT-923)

NOV 7 1995

DECISION

Obligor	:	Bond Amount:	\$25,000
Patral Exploration LLC	:		
P.O. Box 5083	:		
Denver, CO 80217-5083	:	Bond Type:	Statewide
	:		Oil and Gas
Financial Institution:	:		
Norwest Bank Colorado, N.A.	:	BLM Bond Number:	UT 1040
1740 Broadway	:		
Denver, CO 80274	:		

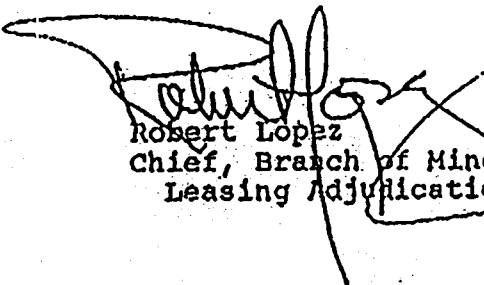
Statewide Oil and Gas Personal Bond and Certificate of Deposit Accepted

On November 6, 1995, this office received Bond Form 3000-4 together with Investment Deposit Agreement (Book Entry) No. 101741006 evidencing the purchase of a \$25,000 Certificate of Deposit (CD) in the amount of \$25,000 to secure a statewide oil and gas bond for the above obligor. Both documents have been examined and are accepted effective November 6, 1995.

The CD will be retained by the Bureau of Land Management (BLM) and will automatically renew annually until all terms and conditions of the leases have been fulfilled or until a satisfactory replacement bond has been accepted by the BLM.

The bond will be maintained by this office. The bond constitutes coverage of all operations conducted by or on behalf of the obligor on Federal leases in the State of Utah. The bond provides coverage of the obligor where that obligor has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that Federal leases do not include Indian leases.

If you have any questions, please contact Irene Anderson of this office at (801) 539-4108.


Robert Lopez
Chief, Branch of Mineral
Leasing Adjudication

cc: All Districts

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/20/97

API NO. ASSIGNED: 43-037-31791

WELL NAME: KNOCKDHU UNIT #8
OPERATOR: PETRAL EXPLORATION LLC (N7700)

PROPOSED LOCATION:

NWSW 33 - T37S - R25E 1550
SURFACE: 1912-FSL-~~1555~~-FWL
BOTTOM: 1912-FSL-~~1555~~-FWL
SAN JAUN COUNTY 1550
UNDESIGNATED FIELD (002)

LEASE TYPE: FED
LEASE NUMBER: UTU - 75521

PROPOSED PRODUCING FORMATION: ISMY

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number UT 1040)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number PERMIT BEING OBTAINED)
☒ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: KNOCKDHU UNIT
____ R649-3-2. General.
____ R649-3-3. Exception.
____ Drilling Unit.
____ Board Cause no: _____
____ Date: _____

COMMENTS: Conf. status requested

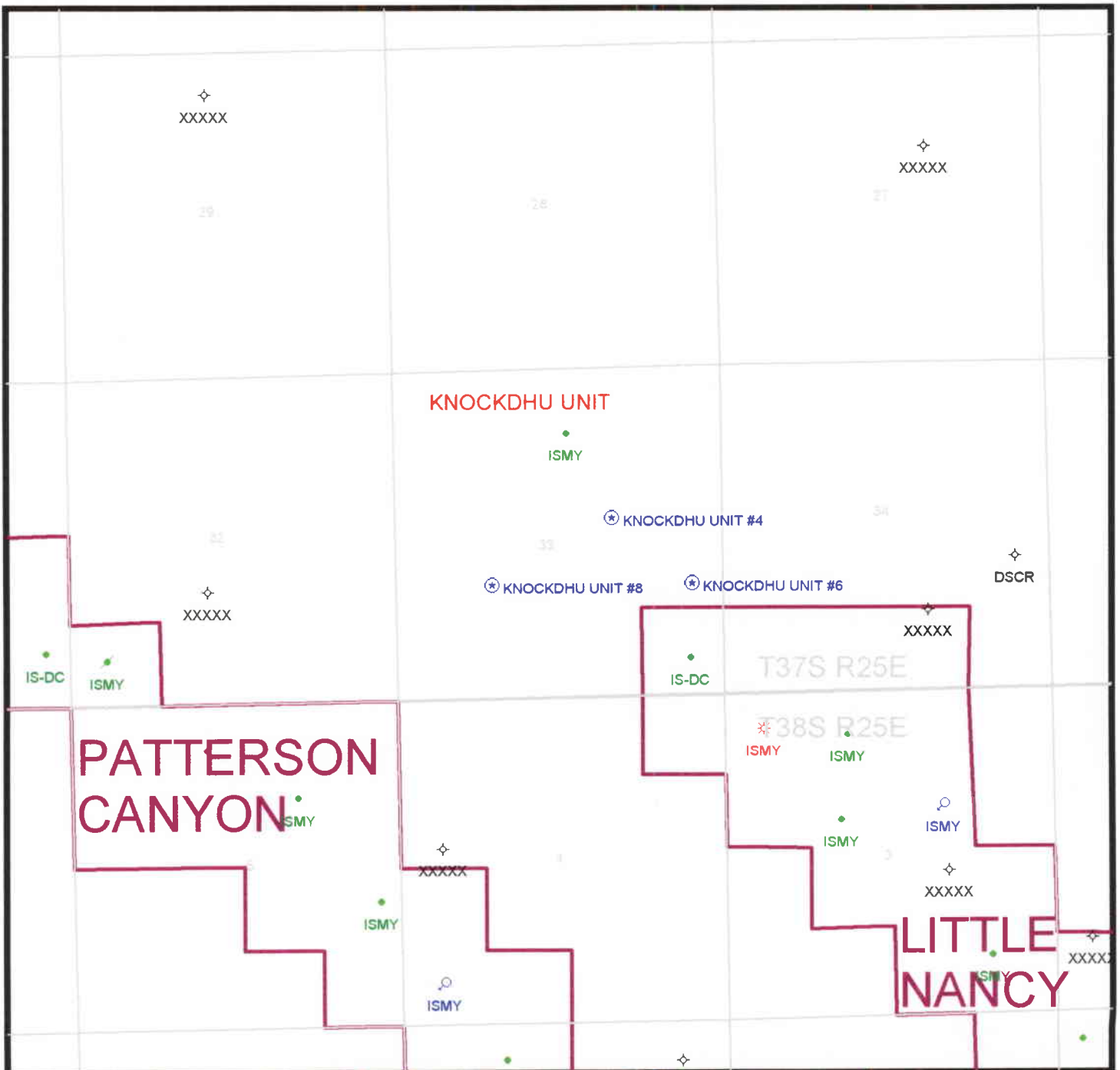
STIPULATIONS:

OPERATOR: PETRAL EXPLORATION (N7700)

FIELD: UNDESIGNATED (002)

SEC, TWP, RNG: 33, T37S, R25E

COUNTY: SAN JUAN UAC: R649-2-3



PREPARED:
DATE: 28-MAY-97

McILNAY

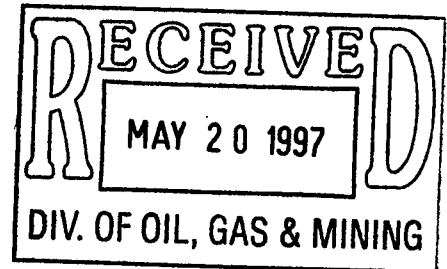
McILNAY & ASSOCIATES, INC.

2305 OXFORD LANE • CASPER, WY 82604 • (307) 265-4351 • FAX (307) 473-1218

PETROLEUM CONSULTING ENGINEERS & PROPERTY MANAGEMENT

REGISTERED PROFESSIONAL ENGINEERS

May 19, 1997



Utah Board of Oil, Gas & Mining
1594 West North Temple
3 Triad Center, Suite 1210
Salt Lake City, Utah 84180-1203

Re: Petral Exploration, LLC , #8 Knockdhu Unit, NE SE Sec. 33-T37S-R25E
San Juan Co., Unit - 75040X Lease # UTU 75521

Dear Sirs:

By this letter we are requesting all drilling, completion and production information on the #2 Knockando Unit be held **CONFIDENTIAL** for the period allowed by the State of Utah.

Sincerely,

McILNAY & ASSOCIATES, INC.

A handwritten signature in cursive script, appearing to read "Ken Kidneigh".

Kenneth P. Kidneigh
Petroleum Engineer

so

cc: Petral Exploration LLC
Rose Exploration Associates



From the Desk of:

Sharon Orr

Please add to the NTL/APD package previously submitted for the Knockdhu #8, NE SW Sec. 33-T37S-R25E, San Juan Co., Ut for Petral Exploration, LLC.

Thank you.



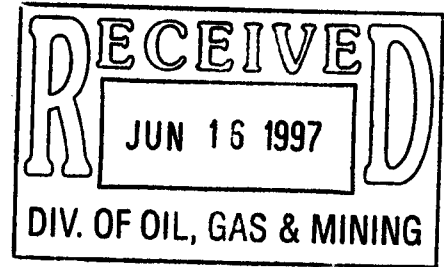
State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

Robert L. Morgan
State Engineer

Southeastern Area
453 South Carbon Avenue
P.O. Box 718
Price, Utah 84501-0718
801-637-1303



June 2, 1997

R.W. Trucking
P.O. Box 1208
Cortez, Colorado 81321

Re: Temporary Change Application Number 121172 (09-169)
Expiration Date: April 30, 1998

Dear Applicant:

The above referenced Temporary Change Application is hereby approved. A copy is enclosed for your information and records.

If you have any questions, please feel free to contact me.

Sincerely,

Mark P. Page
Regional Engineer

Enclosures
MPP/mjk



APPLICATION FOR TEMPORARY CHANGE OF WATER

STATE OF UTAH

JUN 2 1997

Rec. by _____

Fee Paid \$ _____

Receipt # _____

Microfilmed _____

Roll # _____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-5 Utah Code Annotated 1953, as amended.

*WATER RIGHT NO. 09 169 *APPLICATION NO. t21172

Changes are proposed in (check those applicable)

_____ point of diversion. X place of use. X nature of use. X period of use.

1. OWNER INFORMATION

Name: R.W. Trucking *Interest: _____%

Address: P.O. Box 1208

City: Cortez State: Colorado Zip Code: 81321

2. *PRIORITY OF CHANGE: May 5, 1953 *FILING DATE: June 2, 1997

*Is this change amendatory? (Yes/No): No

3. RIGHT EVIDENCED BY: 09-169 (A24863) Cert. No. 6249

Prior Approved Temporary Change Applications for this right: 84-09-13; 88-09-01; 88-09-02; 91-09-03; t18235; t19756; t20344; t20345; t20784; t21012; t21083

***** HERETOFORE *****

4. QUANTITY OF WATER: 1.199 cfs and/or _____ ac-ft.

5. SOURCE: (4) Underground Water Wells

6. COUNTY: San Juan

7. POINT(S) OF DIVERSION: 1) N. 2350 ft. & W. 444 ft. from SE Cor. Sec. 12, T38S, R24E, SLB&M

2) N. 1946 ft. & E. 1152 ft.;

3) N. 1651 ft. & E. 2236 ft.;

4) N. 917 ft. & E. 2414 ft.; all from SW Cor. Sec. 7, T38S, R25E, SLB&M

Description of Diverting Works: _____

8. POINT(S) OF REDIVERSION

The water has been rediverted from _____ at a point: _____

Description of Diverting Works: _____

9. POINT(S) OF RETURN

The amount of water consumed is 1.199 cfs or _____ ac-ft.

The amount of water returned is _____ cfs or _____ ac-ft.

The water has been returned to the natural stream/source at a point(s): _____

*These items are to be completed by the Division of Water Rights.

Temporary Change

10. NATURE AND PERIOD OF USE

Irrigation: From March 1 to October 31
Stockwatering: From January 1 to December 31
Domestic: From _____ to _____
Municipal: From _____ to _____
Mining: From _____ to _____
Power: From _____ to _____
Other: From _____ to _____

11. PURPOSE AND EXTENT OF USE

Irrigation: 136.00 acres. Sole supply of _____ acres.
Stockwatering (number and kind): 2000 Sheep, 56 Cows, 7 Horses
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: _____ Mining District in the _____ Mine.
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): _____

12. PLACE OF USE

Legal description of place of use by 40 acre tract(s):
E $\frac{1}{2}$ Sec. 12; E $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 13; both T38S, R24E, SLB&M;
SW $\frac{1}{4}$ Sec. 7; NW $\frac{1}{4}$ Sec. 18; both T38S, R25E, SLB&M

13. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 tract(s): _____

***** THE FOLLOWING CHANGES ARE PROPOSED *****

14. QUANTITY OF WATER: _____ cfs and/or 5.00 ac-ft.
15. SOURCE: Underground Water Wells (4)
Balance of the water will be abandoned: _____, or will be used as heretofore: X
16. COUNTY: San Juan
17. POINT(S) OF DIVERSION: Same as heretofore

Description of Diverting Works: Portable pump and tank truck
*COMMON DESCRIPTION: 17 miles SE of Blanding Blanding South Quad

18. POINT(S) OF REDIVERSION

The water will be rediverted from _____ at a point: _____

Description of Diverting Works: _____

19. POINT(S) OF RETURN

The amount of water to be consumed is _____ cfs or 5.00 ac-ft.
The amount of water to be returned is _____ cfs or _____ ac-ft.
The water will be returned to the natural stream/source at a point(s): _____

20. NATURE AND PERIOD OF USE

Irrigation: From ___/___/___ to ___/___/___
Stockwatering: From ___/___/___ to ___/___/___
Domestic: From ___/___/___ to ___/___/___
Municipal: From ___/___/___ to ___/___/___
Mining: From ___/___/___ to ___/___/___
Power: From ___/___/___ to ___/___/___
Other: From 5/20/97 to 4/30/98

21. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal (name): _____
Mining: _____ Mining District at the _____ Mine.
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): Exploration drilling, road construction & maintenance, and other
related uses

22. PLACE OF USE

Legal description of place of use by 40 acre tract(s): _____
1) #8 Knockdhu Unit: NE1/4SW1/4 Sec. 33, T37S, R25E, SLB&M

23. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 tract(s): _____

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of same size if necessary):
The applicant is purchasing this water from the owner of the right, Richard Perkins,
of Blanding.

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



Signature of Applicant(s)

STATE ENGINEER'S ENDORSEMENT

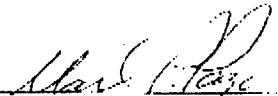
TEMPORARY CHANGE APPLICATION NUMBER: 121172

WATER RIGHT NUMBER: 09-169

1. June 2, 1997 Change Application received by MP.
2. June 2, 1997 Application designated for APPROVAL by MP.
3. Comments:

Conditions:

This application is hereby APPROVED, dated June 2, 1997, subject to prior rights and this application will expire on April 30, 1998.



Mark Page, Regional Engineer
for
Robert L. Morgan, State Engineer

Blending Utah

May. 28 1897

RECEIVED

JUN 2 1897

Dear Sirs

WATER RIGHTS
FEE

I give R.W. Truesdell
Co. of City Colorado Permission
to haul water from Ranch
in Montezuma Canyon.

Cert # 6249. for the
Ranch due Nov. 8 well

Yours truly
Richard
Parker



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 30, 1997

Petral Exploration, LLC
c/o McIlroy & Associates, Inc.
2305 Oxford Lane
Casper, Wyoming 82604

Re: Knockdhu Unit 8 Well, 1912' FSL, 1550' FWL, NE SW, Sec. 33,
T. 37 S., R. 25 E., San Juan County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-31791.

Sincerely,

Lowell P. Braxton
Deputy Director

lwp

Enclosures

cc: San Juan County Assessor
Bureau of Land Management, Moab District Office

Operator: Petral Exploration, LLC
Well Name & Number: Knockdhu Unit 8
API Number: 43-037-31791
Lease: UTU-75521
Location: NE SW Sec. 33 T. 37 S. R. 25 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334 or Mike Hebertson at (801) 538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

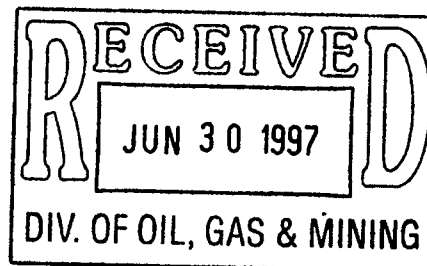
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU- 75521
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
2. NAME OF OPERATOR Petril Exploration, LLC		7. UNIT AGREEMENT NAME Knockdhu Unit 75040X
3. ADDRESS OF OPERATOR c/o McIlhenny & Associates, Inc. (307)265-4351 2305 Oxford Lane, Casper, WY 82604		8. FARM OR LEASE NAME Knockdhu Unit
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface NE SW Sec. 33-T37S-R25E, 1912' FSL & 1550' FWL At proposed prod. zone Same		9. WELL NO. 8
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 18 miles SE from Blanding, Utah		10. FIELD AND POOL, OR WILDCAT Unnamed
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) Lease 1095' Unit 1550'	16. NO. OF ACRES IN LEASE Lease 320 Acres Unit 600 Acres	11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 33-T37S-R25E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1300'	19. PROPOSED DEPTH	12. COUNTY OR PARISH San Juan
21. ELEVATIONS (Show whether DF, RT, GR, etc.)	20. ROTARY OR CABLE TOOLS Rotary	13. STATE UT
22. APPROX. DATE WORK WILL START* June 15, 1997		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	1810'	To surface
7 7/8"	5 1/2"	15.5#	6000'	235 sks.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

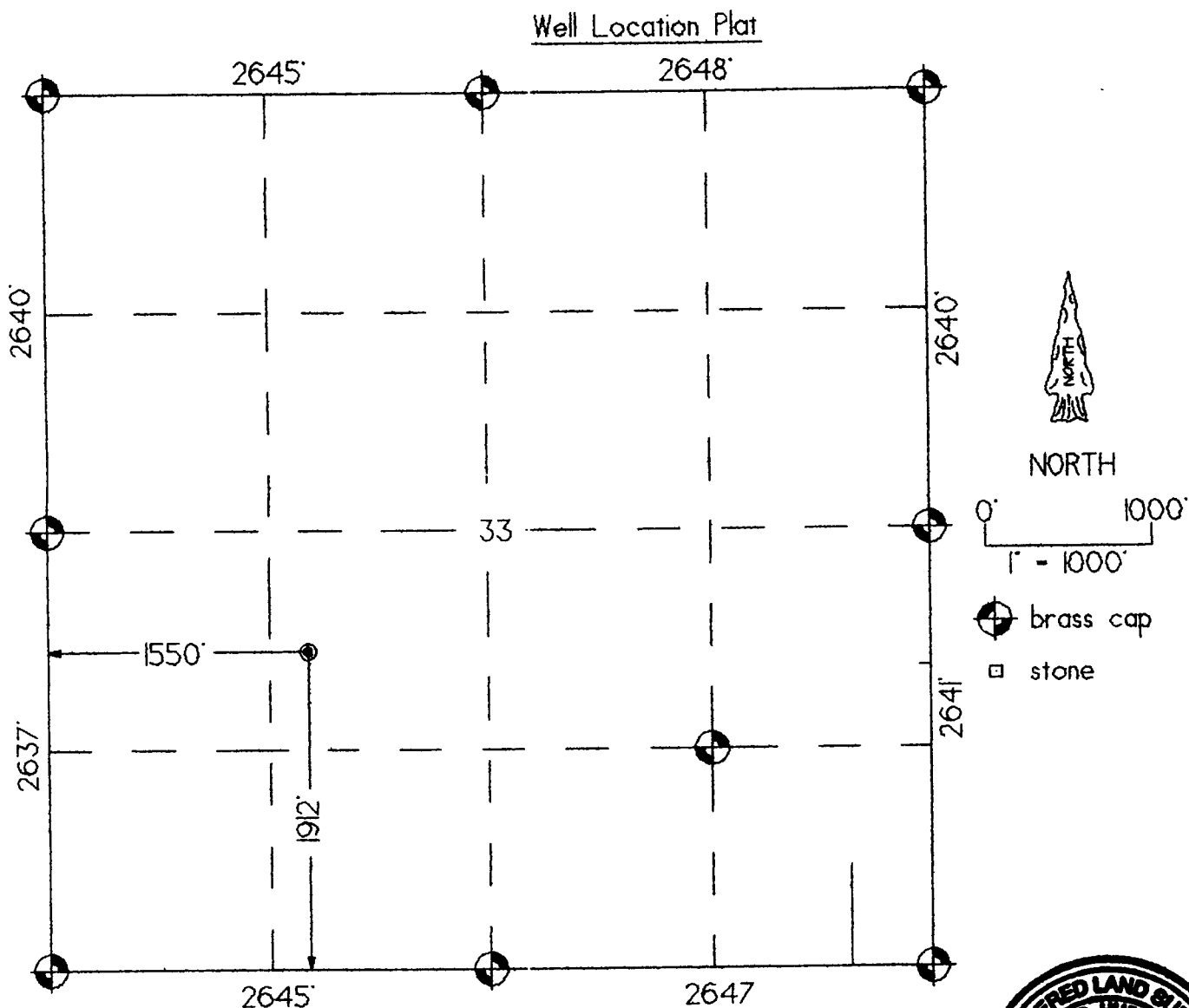
24. SIGNED Anthony R. May TITLE Petril Exploration, LLC, Petraro Corp., Manager DATE 5-19-97
(This space for Federal or State office use)

PERMIT NO. /s/ Brad D. Palmer APPROVAL DATE JUN 25
APPROVED BY Assistant Field Manager, TITLE Resource Management DATE
CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
5-11/1/80



Well Location Description

PETRAL EXPLORATION

8 Knockdhu Unit

1912'FSL & 1550'FWL

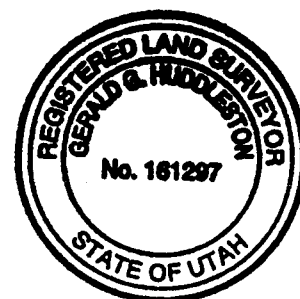
Section 33, T.37 S., R.25 E., SLM

San Juan County, UT

5529' grd. el. from seismic CP 3

320.833 N & 2.672.534 E from seismic - CP 48, CP 50 & CP 3

320.832 N & 2.672.535 E from GPS



7 May 1997

Gerald G. Huddleston
Gerald G. Huddleston, LS

The above is true and correct to my knowledge and belief.

Petral Exploration, LLC
Knockdhu #8
Lease U-75521
NESW, Section 33, T. 37 S., R. 25 E.
San Juan County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Petral Exploration, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT-1040 (Principal - Petral Exploration, LLC) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Any fluid bearing zones or lost circulation zones encountered while drilling will be isolated behind casing and cement.
3. If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

B. SURFACE USE PLAN

1. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public or Federal land shall be immediately reported to the San Juan Resource Area Manager. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the San Juan Resource Area Manager. An evaluation of the discovery will be made by the San Juan Resource Area Manager to determine appropriate action to prevent the loss of significant cultural or scientific values. The operator will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the operator.
2. BLM will complete a raptor survey and clearance of the affected area surrounding the proposed drilling site prior to work initiation if the proposed well is drilled between February 1, and August 31. If the raptor survey locates an active raptor nesting territory which will be affected by this proposal, no work will be allowed until nestlings have fledged. This will apply to peregrine falcons found to be nesting within one mile, golden eagles found to be nesting within 0.5 mile and all other raptors found to be nesting within 0.5 mile of the proposed action site. Discussion will be entered into by the San Juan Resource Area with the U.S. Fish & Wildlife Service to determine the feasibility of allowing drilling of said well closer (0.25 mile) of the proposed action site *IF* it can be *PROVEN* that said activity (noise and visual impacts) can take place without impacting the nesting birds and their offspring. The U.S. Fish & Wildlife Service will be fully consulted if peregrine falcon or golden eagle nesting becomes an issue and given updates on the nesting status of said birds.
3. Deer winter range restrictions from December 15, through April 30 are imposed for well pad preparation and drilling operations.
4. All permanent above the ground production equipment will be painted Juniper Green.
5. The reserve pit shall remain free of hydrocarbons at all times. Any hydrocarbons entering the reserve pit will be removed promptly.
6. Netting material will be installed over the top and around the sides of the reserve pit. The netting material will be one inch or less and maintain in a tight condition and good repair.
7. The reserve pit fence will be kept in good repair and maintained in a tight condition to prevent mule deer entry. The reserve pit fence will be constructed as follows:
 - 32" high woven wire fence, with 2 smooth wire stands set 4" and 16" above the woven wire. Total fence height will be 48".
 - posts will be set no farther apart than 16.5'
 - corners will consist of posts that are at least 6" in diameter (h-brace construction will not be required due to the short distance between corners and temporary nature of the fence. All corners will be stabilized with a "deadman".
 - steel t-posts will be placed between corner posts
 - wire stays will be installed between T-posts
 - there will be a 10 wide distance between the top lip of the reserve pit and reserve pit fence.

8. Reclamation of the entire disturbed area will be accomplished by grading the area to approximately the natural contour and spreading the top soil evenly as possible over the area. The entire disturbed area will be scarified with a 6 inch or less distance between ripped surfaces. The soil surface will be dry and loose prior to seeding and will be broadcast seeded between October 1. and February 28 with the following mixture of pure live seed:

Fourwing saltbush	2 pounds/acre
Wild sunflower	1 pound/acre
Morman tea	1 pound/acre
Galleta	1 pound/acre
Sand dropseed	1 pound/acre
Indian ricegrass	1 pound/acre

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, enclosed.

Building Location- Contact the BLM Petroleum Engineering Technician at the Monticello BLM Field Office at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab BLM Field Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab BLM Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab BLM Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the BLM is to be notified.

First Production- Should the well be successfully completed for production, the Moab BLM Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Monticello BLM Field Office. The Monticello BLM Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab BLM Field Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or

completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab BLM Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever occurs first, without the prior, written approval of the BLM. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Moab BLM Field Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab BLM Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab BLM Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) shall be filed with the Moab BLM Field Office within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the BLM, or the appropriate surface managing agency.

TABLE 1. NOTIFICATIONS

Notify Jeff Brown of the Monticello BLM Field Office in Monticello, Utah, at (801) 587-2141, or at home (801) 587-2046 for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching each casing setting depth;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab BLM Field Office at (801) 259-6111. If unsuccessful, contact one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Gary Torres, Petroleum Engineer	Office:	(801) 587-2141
	Home:	(801) 587-2705
Eric Jones, Petroleum Engineer	Office:	(801) 259-2117
	Home:	(801) 259-2214

From: Verlene Butts <vbu @ut.blm.gov>
To: NRDOMAIN.NROGM(DSTALEY)
Date: 8/10/98 2:28pm
Subject: Rescind well permits?? - Reply

Good Afternoon Don! Well here is the rest of the story, o.k.! The following permits are in the process of being rescinded to the operator, a copy of the letters are forthcoming.

Chandler & Associates, Inc.

43-015-30260	3-3-18-8	3-18S-8E
43-015-30263	8-7-18-8	7-18S-8E
43-015-30265	5-12-19-7	12-19S-7E
43-015-30261	11-1-19-7	1-19S-7E

On the following permits I have sent memorandums to the San Juan Resource Area and San Rafael Resource Area to field check the location of rehab and subsequently rescind the permit and release the bond for this location.

Petral Exploration

43-037-31781	1-24X	24-37S-24E
43-037-31791	Knockdhu Unit #8	33-37S-25E

Texaco Inc.

43-015-30296	33-22	33-21S-6E
--------------	-------	-----------

Farmington R. A. would handle this permit.

Mobil Oil

43-037-31132	RU 24-41	24-41S-23E
--------------	----------	------------

Hope this helps, bye, Verlene

>>> Don Staley <nrogm.dstaley@state.ut.us> 08/03 10:05 am >>>
Hi Verlene,

Could you check out the status of the following permits for me. According to my records, they are all due to be rescinded. Thanks!

API NAME	OPERATOR LOCATION	WELL
43-015-30260 3-3-18-8	Chandler 3-18S-8E	Ferron Fed
43-015-30261	Chandler	Ferron Fed 11-1-19-7 1-19S-7E
43-015-30263 8-7-18-8	Chandler 7-18S-8E	Ferron Fed
43-015-30265 5-12-19-7	Chandler 12-19S-7E	Ferron Fed

CC: WELL FILE



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

(27 wells)
✓ 1- ~~CC Full License to~~
~~mining.~~
2- ~~Kelly Film~~
3- VLD - LA's

October 12

Dennis Yockim
Petral Exploration LLC
P. O. Box 5083
Denver, Colorado 80217

Re: APD Rescinded – Knockdhu Unit 8, Sec. 33, T.37S, R25E
San Juan County, Utah - API No. 43-037-31791

Dear Mr. Yockim:

The Application for Permit to Drill for the subject well was approved by the Division of Oil, Gas and Mining on June 30, 1997. No drilling activity at this location has been reported to the division. Due to the excessive time delay in commencing drilling operations, approval to drill the well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

Lisha Cordova
Eng. Technician

cc: **Well File**
Bureau of Land Management, Moab



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 12, 2000

Dennis Yockim
Petal Exploration LLC
P. O. Box 5083
Denver, Colorado 80217

Re: APD Rescinded – Knockdhu Unit 8, Sec. 33, T.37S, R25E
San Juan County, Utah - API No. 43-037-31791

Dear Mr. Yockim:

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If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in cursive script that reads "Lisha Cordova".

Lisha Cordova
Eng. Technician

cc: **Well File**
Bureau of Land Management, Moab

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-75521
2. NAME OF OPERATOR: PETRAL EXPLORATION LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Knockdhu
3. ADDRESS OF OPERATOR: P. O. Box 5083 CITY Denver STATE CO ZIP 80217		7. UNIT or CA AGREEMENT NAME: Knockdhu Unit #8
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1912' TSL & 1550' FWL		8. WELL NAME and NUMBER: Knockdhu Unit #8
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 33 37S 25E 51M		9. API NUMBER: 43-037-31791
		10. FIELD AND POOL, OR WLD CAT: Knockdhu Unit
		COUNTY: San Juan
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 12/20/01	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATION	<input checked="" type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Petral intends to reclaim surface and pits. Will reseed to Bureau of Land Management's specifications. Dirt work and reseeding to be done by Crawley Construction Co. of Monticello, Utah, telephone 435-587-2377. Field Supervision by Petral - Randy Shelton Telephone 435-459-1027.

All reclamation will be in accordance with specifications outlined in APD.

Well was never drilled.

RECEIVED

DEC 17 2001

DIVISION OF
OIL, GAS AND MINING

COPY SENT TO OPERATOR
Date: 12-21-01
Initials: [Signature]

NAME (PLEASE PRINT) Dennis W. Yockim

TITLE Landman

SIGNATURE [Signature]

DATE 12-12-01

(This space for State use only)

**Accepted by the
Utah Division of
Oil, Gas and Mining**

**Federal Approval Of This
Action Is Necessary**

Date: 12/20/01

By: [Signature]

(See Instructions on Reverse Side)

PETRAL EXPLORATION

P.O. Box 5083 • Denver, CO 80217
1700 Lincoln Street, Suite 4750 • Denver, CO 80203
(303) 832-3131 • Fax (303) 894-9088

December 12, 2001

Utah Division of Oil, Gas and Mining
1594 West North Temple, #1210
Box 145801
Salt Lake City, UT 84114-5801

Re: Sundry Notices and Reports on Wells

Gentlemen:

Enclosed in duplicate please find four (4) Sundry Notices and Reports on Wells on the following wells listed below for filing and subject to your approval.

Dalmore #44-23
Aultmore 1-24X Federal
Black Bull Federal #43-30
Knockdhu Unit #8

Thank you,

Sincerely,

PETRAL EXPLORATION LLC

Dennis W. Yockim
by *SP*
Dennis W. Yockim
Landman

/sp
Encl.

RECEIVED

DEC 17 2001

DIVISION OF
OIL, GAS AND MINING